

Unit - III

Collective Bargaining

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Meaning Nature, Types, Process and Importance of CB-
prerequisites issues Involved-Status of Collective Bargaining
in India-Suggestions to improve Collective Bargaining-
Negotiations - Types of Negotiations-Problem solving
attitude-Exit policy, Voluntary retirements and Golden
Handshake, Negotiation skills-Impact of Globalization on CB.

**What is
Collective
Bargaining?**



Definition

- Collective bargaining is a type of negotiation used by employees to work with their employers.
- During a collective bargaining period, workers' representatives approach the employer and attempt to negotiate a contract which both sides can agree with.
- Typical issues covered in a labor contract are hours, wages, benefits, working conditions, and the rules of the workplace.
- Once both sides have reached a contract that they find agreeable, it is signed and kept in place for a set period of time, most commonly three years.
- The final contract is called a collective bargaining agreement, to reflect the fact that it is the result of a collective bargaining effort.
- The parties often refer to the result of negotiation as a *Collective Bargaining Agreement (CBA)* / as a *Collective Employment Agreement (CEA)*.



Definitions

- The phrase collective bargaining is made up of two words collective which implies group action through its representatives; and bargaining which suggests haggling and / or negotiating. The phrase, therefore, implies collective negotiation of a contract between the management's representatives on one side and those of the workers on the other. Thus collective bargaining is defined as a process of negotiation between the employer and the organized workers represented by their union in order to determine the terms and conditions of employment.
- **Stevens:** Collective Bargaining as a 'social control technique for reflecting and transmitting the basic power relationships which underlie the conflict of interest in an industrial relations system.'
- **Prof. Allan Flanders:** Collective Bargaining is primarily a political rather than an economic process. He describes collective bargaining as a power relationship between a trade union organization and the management organization. The agreement arrived at is a compromise settlement of power conflicts. Collective Bargaining has also been described as "the great social invention that has institutionalized industrial conflict" Dubin
- **Richardson** says, "Collective bargaining takes place when a number of work people enter into negotiation as a bargaining unit with an employer or a group of employers with the object of reaching agreement on conditions of the employment of the work people".
- The **ILO** has defined collective bargaining as "negotiations about working conditions and terms of employment between an employer and a group of employees or one or more employees' organizations with a view to reaching an agreement wherein the terms serve as a code of defining the rights and obligations of each party in their employment relations with one another; fix a large number of detailed conditions of employment, and derivatives validity, none of the matters it deals which can in normal circumstances be given as a ground for a dispute concerning an industrial worker

Meaning of CB

- Collective bargaining is a source of solving the problems of employees in the work situation collectively. It provides a good climate for discussing the problems of workers with their employers. The employees put their demands before the employers and the employers also give certain concession to them. Thus it ensures that the management cannot take unilateral decision concerning the work ignoring the workers. It also helps the workers to achieve responsible wages, working conditions, working hours, fringe benefits etc. It provides them a collective strength to bargain with employer. It also provides the employers some control over the employees.

The process of collective bargaining is bipartite in nature, i.e. the negotiations are between the employers and employees without a third party's intervention. Thus collective bargaining serves to bridge the emotional and physiological gulf between the workers and employers through direct discussions.

Meaning

The term collective bargaining is made up of two words, 'collective' – which means a 'group action' through representation and 'bargaining', means 'negotiating', which involves proposals and counter-proposals, offers and counter-offers.

Thus it means collective negotiations between the employer and the employee, relating to their work situations.

The success of these negotiations depends upon mutual understanding and give and take principles between the employers and employees.

Meaning of CB

- Collective bargaining is a major approach to redress disputes in industrial settings. The method however, remains beset with many problems and issues. Read on for an overview of the challenges of collective bargaining.
- Collective bargaining is the process of representatives of workers and employers engaging in a series of negotiations, often with diplomatic and political maneuvers, to effect a collective agreement toward resolution of any dispute or outstanding issues related to terms and conditions of employment, and rights and responsibilities of workers.

Meaning of CB

- The primary challenges of collective bargaining pertains to ensuring that the principals of both parties agree to the settlement, ensuring that the process addresses core issues, and ensuring the relevance of the settlement in a fast paced business environment that demands constant change.

Objectives

- To maintain cordial relations between management & the workers
- To settle disputes/conflicts relating to working conditions & wages
- To protect interest of workers through collective action.
- To ensure participation of Trade Unions
- To resolve the differences between workers and management.

Principles of Collective Bargaining

- **Principles for Trade Unions-:** a) They should have open mind on various issues. b) There should not be any room for confusion & misunderstanding. c) Trade Unions should fully support management. D) Strike calls should be the last resort.
- **Principles for Management-:** a) Mgt. should give proper recognition to trade unions. b) Rules governing labour should be periodically examined. c) all the clauses of agreements should be accepted in true spirit.
- **Principles for both Union & Management-:** a) Both the parties should have faith on each other. b) Both the parties should have positive view of whole process rather thinking it as formality. C) Both the parties should adhere to all laws applicable to Collective Bargaining.

Levels of Collective Bargaining

- At Plant Level
- At Industry Level
- At National Level

Types of Collective Bargaining

- **Distributive Bargaining-**: In this One party's gain is another party's loss. e.g.wages
- **•Integrative Bargaining-**: In this both the parties may gain or atleast neither party loses.e.g.better training progmmes.
- **Attitudinal Structuring-**: When there is backlog of bitterness between both the parties then attitudinal structuring is required to make smooth industrial relations.
- **Intra-Organisational Bargaining-**: There can be conflicting groups in both mgt.& unions also so there is need to achieve conseus in these groups.

Essentials of Successful collective Bargaining

- Favourable Political Climate
- Strong & Stable Unions
- Recognition
- Willingness to give & take
- Negotiator's Authority
- Fair practices
- Positive Attitude rather than a fighting approach

Features:

It is a collective process.

The representatives of both workers and management participate in bargaining.

II. It is a continuous process. It establishes regular and stable relationship between the parties involved. It involves not only the negotiation of the contract, but also the administration of the contract.

III. It is a flexible and dynamic process. The parties have to adopt a flexible attitude through the process of bargaining.

IV. It is a method of partnership of workers in management



Importance to society

Collective bargaining leads to industrial peace
in the country.

It results in establishment of a harmonious
industrial climate which supports, which
helps the pace of a nation's efforts towards
economic and social development since the
obstacles to such a development can be
reduced considerably.

The discrimination and exploitation of workers
is constantly being checked.

It provides a method or the regulation of the
conditions of employment of those who are
directly concerned about them.



Importance to employers

It becomes easier for the management to resolve issues at the bargaining level rather than taking up complaints of individual workers.

Collective bargaining tends to promote a sense of job security among employees and thereby tends to reduce the cost of labor turnover to management.

Collective bargaining opens up the channel of communication between the workers and the management and increases worker participation in decision making.

Collective bargaining plays a vital role in settling and preventing industrial disputes.



Importance to employees

Collective bargaining develops a sense of self respect and responsibility among the employees.

It increases the strength of the workforce, thereby, increasing their bargaining capacity as a group.

Collective bargaining increases the morale and productivity of employees.

It restricts management's freedom for arbitrary action against the employees..

The workers feel motivated as they can approach the management on various matters and bargain for higher benefits.

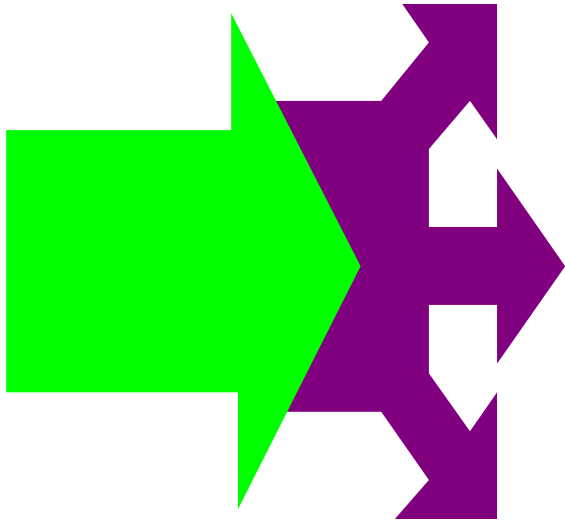
It helps in securing a prompt and fair settlement of grievances.

It provides a flexible means for the adjustment of wages and employment conditions to economic and technological changes in the industry, as a result of which the chances for conflicts are reduced.

**Impass
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Forms of Bargaining Structures



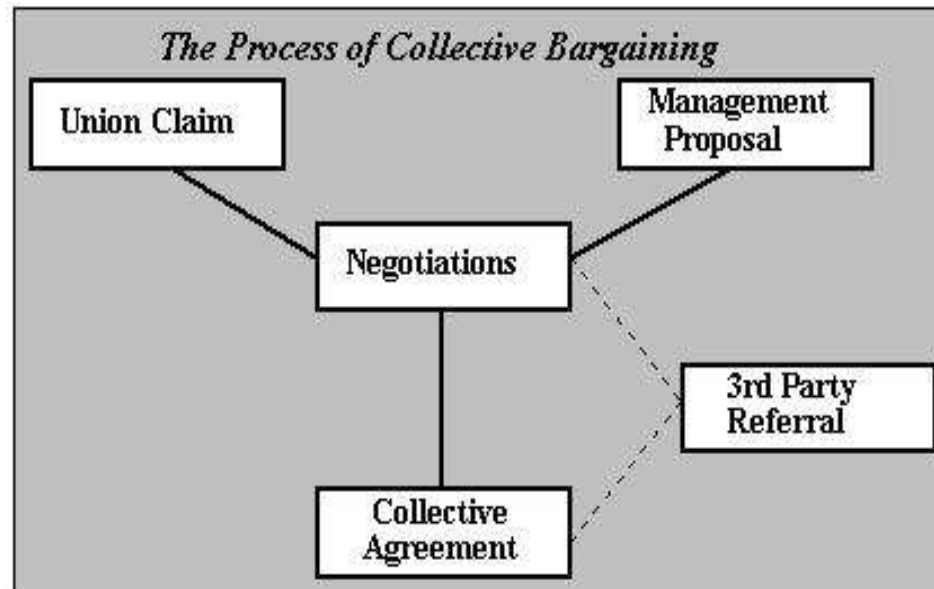
- One company dealing with a single union
- Several companies dealing with single union
- Several unions dealing with a single company
- Several companies dealing with several unions

Collective Bargaining Process

- Preparing for negotiation
- Bargaining issues
- Negotiation
- Negotiation breakdown
- Reaching the agreement
- Ratifying the agreement
- Administration of the agreement

Collective Bargaining Process

- In many companies, agreements have a fixed time scale and a collective bargaining process will review the procedural agreement when negotiations take place on pay and conditions of employment.



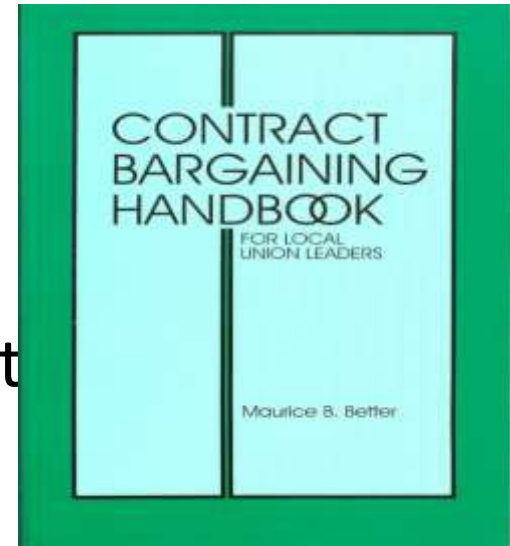
(1) Prepare

- This phase involves composition of a negotiation team.
- The negotiation team should consist of representatives of both the parties with adequate knowledge and skills for negotiation.
- In this phase both the employer's representatives and the union examine their own situation in order to develop the issues that they believe will be most important.
- A correct understanding of the main issues to be covered and intimate knowledge of operations, working conditions production norms and other relevant conditions is required.



(2) Discuss

- The parties decide the ground rules that will guide the negotiations.
- An environment of mutual trust and understanding is also created so that the collective bargaining agreement will be reached.



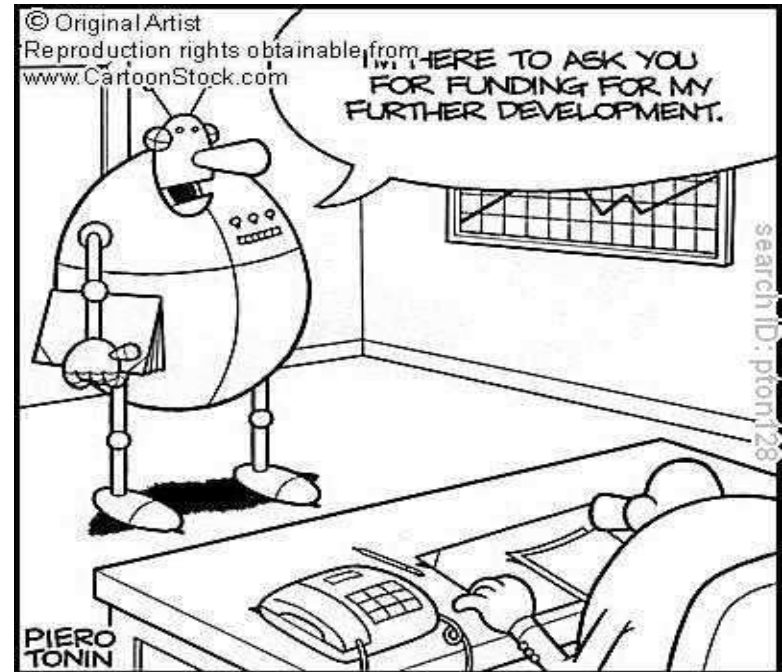
(3) Propose

- It involves the initial opening statements and the possible options that exist to resolve them. In a word, this phase could be described as 'brainstorming'. The exchange of messages takes place and opinion of both the parties is sought.



(4) Bargain

- Negotiations are easy if a problem solving attitude is adopted.
- This stage comprises the time when 'what ifs' and 'supposals' are set forth and the drafting of agreements take place.

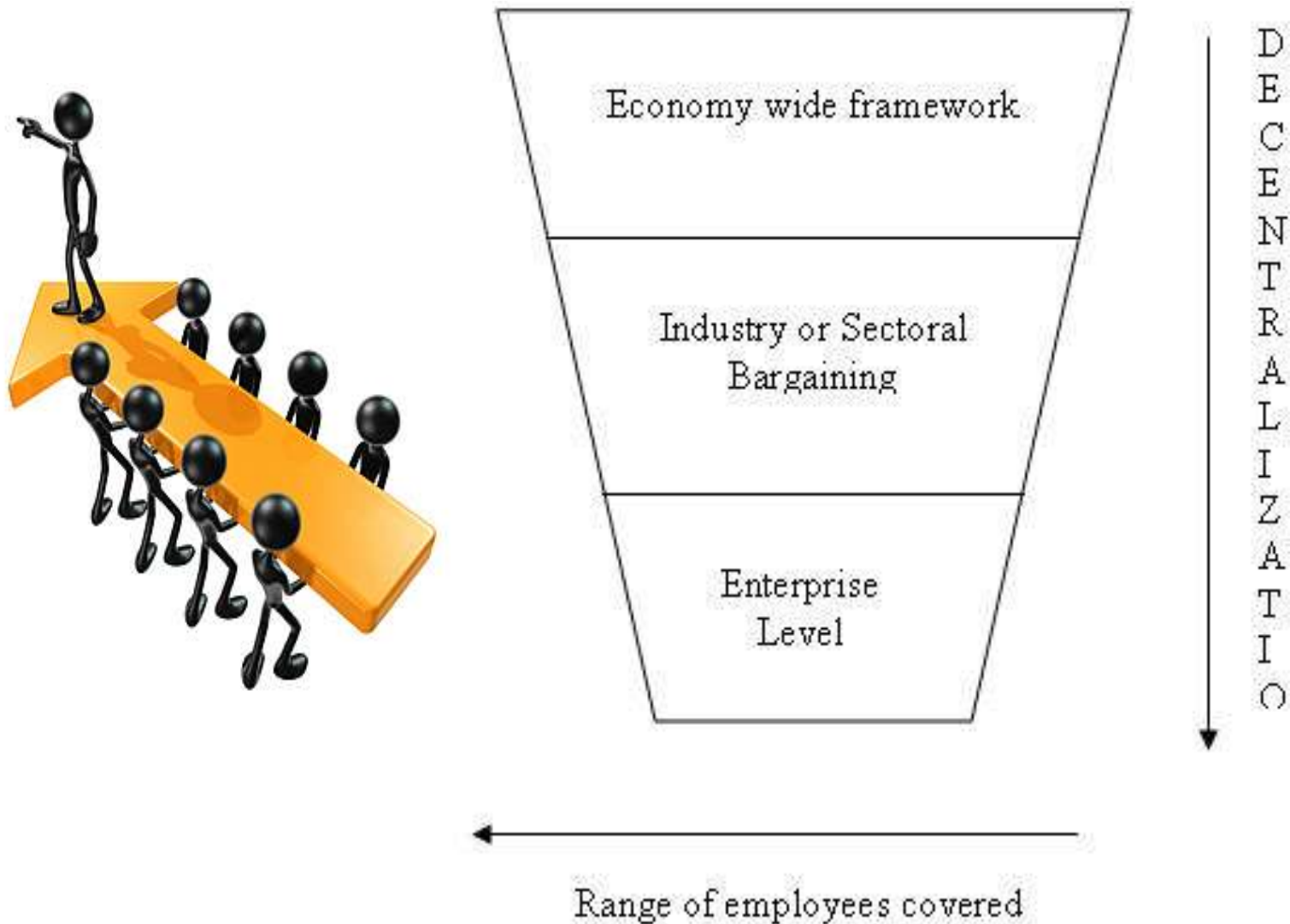


(5)Settlement

- Once the parties are through with the bargaining process, a consensual agreement is reached upon wherein both the parties agree to a common decision regarding the problem or the issue.
- This stage is described as consisting of effective joint implementation of the agreement through shared visions, strategic planning and negotiated change.

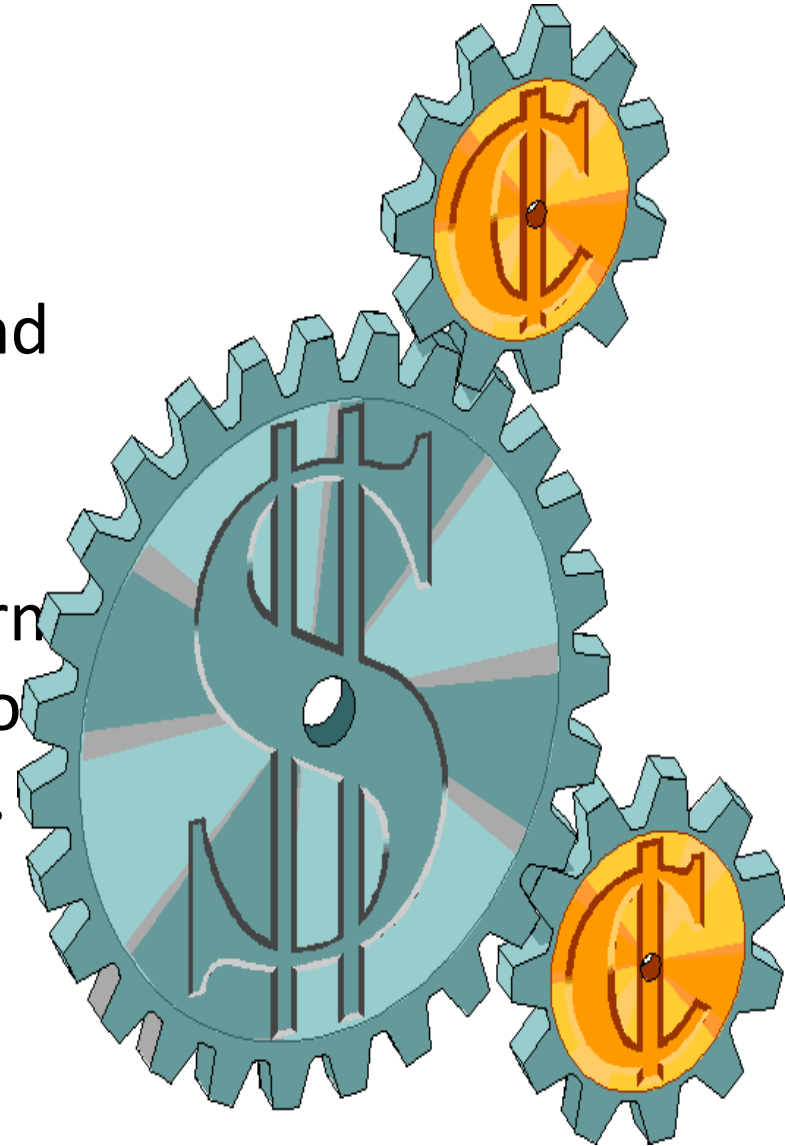


Levels of collective bargaining



Economy-wide (national)

- **Bargaining** is a bipartite or tripartite form of negotiation between union confederations, central employer associations and government agencies.
- It aims at providing a floor for lower-level bargaining on the terms of employment, often taking into account macroeconomic goals.

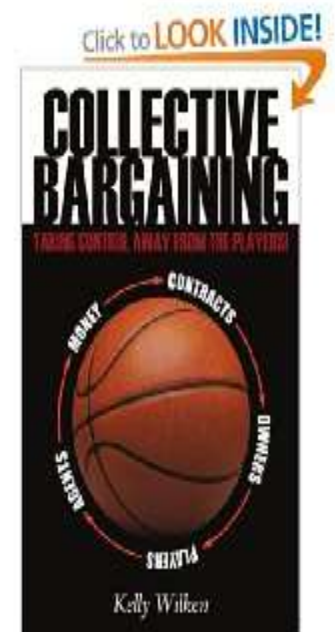


(b) *Sectoral bargaining:*

- It aims at the standardization of the terms of employment in one industry, includes a range of bargaining patterns.
- Bargaining may be either broadly or narrowly defined in terms of the industrial activities covered and may be either split up according to territorial subunits or conducted nationally.

- (c) *Enterprise Level:*

- It involves the company and/or establishment.
- It emphasizes the point that bargaining levels need not be mutually exclusive.

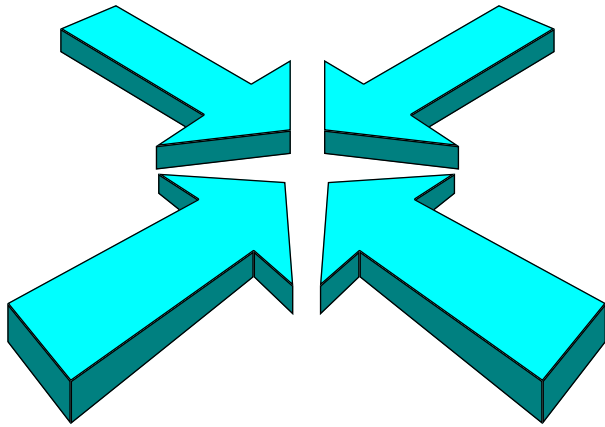


Problems of Collective Bargaining

- I. Due to the dominance of outsiders in trade unionism in the country, there is multiplicity of unions which are weak and unstable, and do not represent majority of the employees. Moreover, there are inter-union rivalries, which further hinder the process of collective bargaining between the labor and the management.
- II. Trade unions are having political affiliations, they continue to be dominated by politicians, who use the unions and their members to meet their political ends.
- III. There is a lack of definite procedure to determine which union is to be recognized to serve as a bargaining agent on behalf of the workers
- IV. There has been very close association between the trade unions and political parties. As a result, trade union movement has leaned towards political orientations rather than collective bargaining.



Individual Bargaining

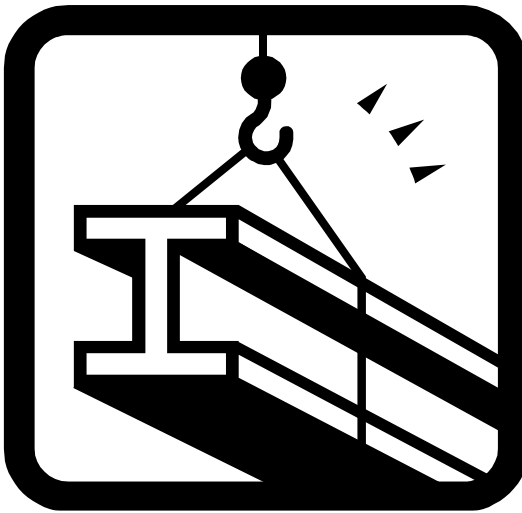


- Employment at will – unwritten contract created when employee agrees to work, but no agreement exists as to how long parties expect employment to last

Individual Bargaining (Continued)

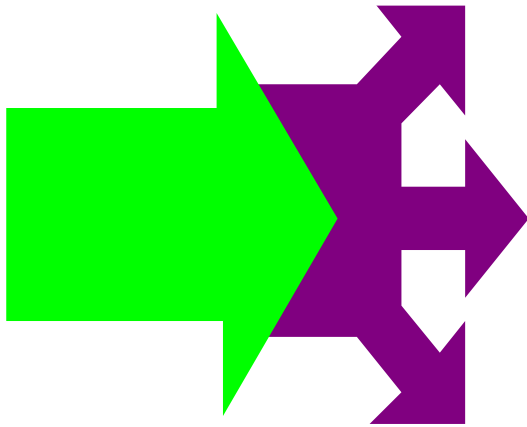
- Seniority means little
- Concept of supply and demand
 - Employment at will

Collective Bargaining



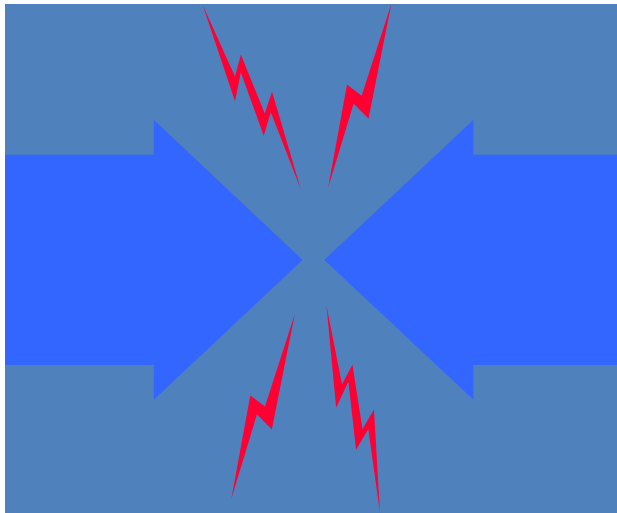
Fundamental to
management-
organized labor
relations in
United States

Forms of Bargaining Structures



- One company dealing with a single union
- Several companies dealing with single union
- Several unions dealing with a single company
- Several companies dealing with several unions

Union/Management Relationships



- Conflict
- Armed truce
- Power bargaining
- Accommodation
- Cooperation
- Collusion

Collective Bargaining Process

- Preparing for negotiation
- Bargaining issues
- Negotiation
- Negotiation breakdown
- Reaching the agreement
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- Administration of the agreement

Psychological Aspects of Collective Bargaining



- Difficult because process is an adversarial situation and must be dealt with as such
- Psychological aspects vitally important

Preparing for Negotiations



- The Borg-Warner Doctrine, derived from the Supreme Court decision in the case of *NLRB v. Wooster Division of Borg-Warner Corporation (1958)*, empowered the NLRB to categorize bargaining issues as:
 - Mandatory - wages, hours, etc.
 - Permissive – may be discussed, i.e., representation of the union on the company Board of Directors. Also referred to as *voluntary bargaining*
 - Prohibited - statutorily outlawed, i.e., closed shop or proposing work rules that would violate the Civil Rights Act

Management Rights



Section that is often
(but not always)
written into labor
agreement which
spells out rights of
management

Compensation and Benefits



- Wage rate schedule
- Overtime and premium pay
- Jury pay
- Layoff or severance pay
- Holidays
- Vacation
- Family care

Grievance Procedure

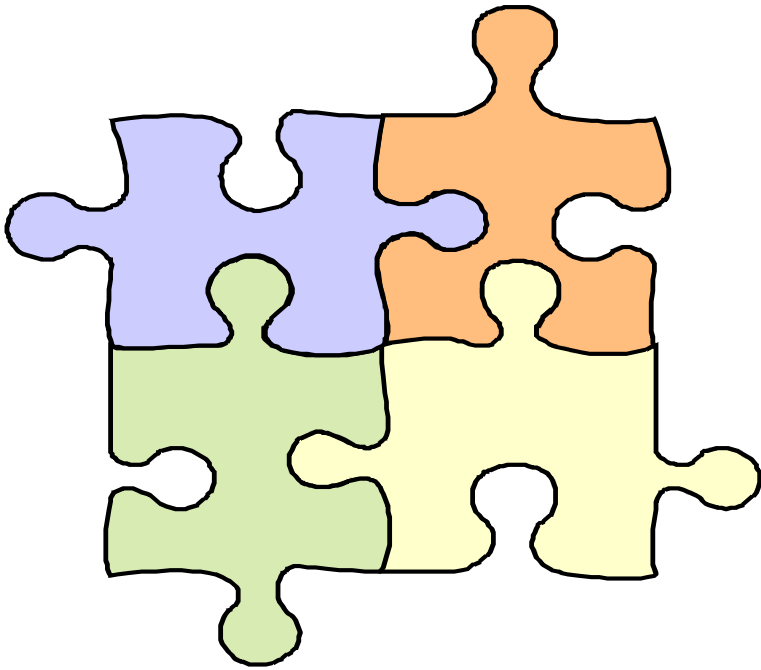
- Means by which employees can voice dissatisfaction with specific management actions
- Procedures for disciplinary action by management
- Termination procedure that must be followed

Employee Security



- Seniority
- Grievance handling procedures; typical model:
 - Complaint of ULP must be initiated within a prescribed time period
 - Normally filed with front-line supervisor, who meets with Ee to attempt to resolve
 - IF unacceptable, union has prescribed time frame to appeal
 - Same basic process, escalated to higher levels of union/mgmt
 - IF unacceptable, then goes to officer level
 - IF unacceptable, then arbitration per labor contract terms

Job-Related Factors

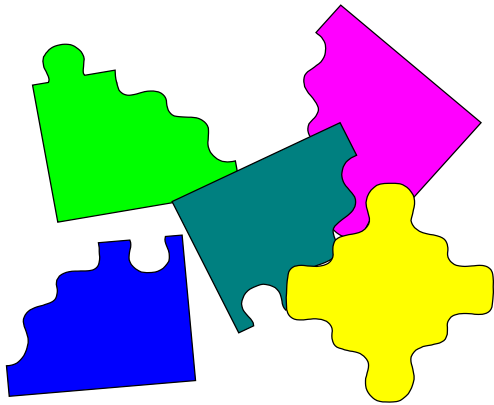


Many of rules
governing
employee
actions on job
are included

Negotiating the Agreement

- Begins with each side presenting initial demands
- Suggests a certain amount of give and take
- Each side does not expect to obtain all demands presented

Breakdowns in Negotiations



- Third party intervention
- Union strategies for overcoming breakdowns
- Management strategies for overcoming breakdowns

Third Party Intervention



- **Mediation** - neutral party comes in when impasse has occurred
- **Arbitration** – impartial third party makes binding decision to settle dispute
- Sources of mediators and arbitrators
 - Federal Mediation and Conciliation Service (FMCS), established under Taft-Hartley
 - American Arbitration Association (AAA)

Collective Bargaining for Federal Employees



- Executive Order 10988 (1962) established basic framework of collective bargaining in federal agencies
- Later transferred to Title VII of the Civil Service Reform Act of 1978
 - Established Federal Labor Relations Authority (FLRA), modeled after the NLRB, to manage the process of negotiation with unions that represent federal employees
- Title V of the U.S. Code, which dictates personnel rules for federal employees, narrows the EO somewhat by taking wages off the table, except for U.S. Postal Service workers

Collective Bargaining in India

It was introduced in India in 1952 and is gradually gaining importance in following years. Most agreements of disputes like Bata Shoe company Agreement 1955 and 1962 were at plant level. At Industry level the best example is of Textile Industry Bombay and Ahmedabad. The Delhi Agreement of 1951 is best example of agreement at National Level.

A collective bargaining process generally consists of four types of activities- distributive bargaining, integrative bargaining, attitudinal restructuring and intra-organizational bargaining.

Distributive bargaining:

- It involves haggling over the distribution of surplus. Under it, the economic issues like wages, salaries and bonus are discussed. In distributive bargaining, one party's gain is another party's loss. This is most commonly explained in terms of a pie. Disputants can work together to make the pie bigger, so there is enough for both of them to have as much as they want, or they can focus on cutting the pie up, trying to get as much as they can for themselves. In general, distributive bargaining tends to be more competitive. This type of bargaining is also known as conjunctive bargaining.

Integrative bargaining:

This involves negotiation of an issue on which both the parties may gain, or at least neither party loses. For example, representatives of employer and employee sides may bargain over the better training programme or a better job evaluation method. Here, both the parties are trying to make more of something. In general, it tends to be more cooperative than distributive bargaining. This type of bargaining is also known as cooperative bargaining.

A collective bargaining process generally consists of four types of activities- distributive bargaining, integrative bargaining, attitudinal restructuring and intra-organizational bargaining.

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Attitudinal restructuring:

This involves shaping and reshaping some attitudes like trust or distrust, friendliness or hostility between labor and management. When there is a backlog of bitterness between both the parties, attitudinal restructuring is required to maintain smooth and harmonious industrial relations. It develops a bargaining environment and creates trust and cooperation among the parties.

Intra-organizational bargaining:

It generally aims at resolving internal conflicts. This is a type of maneuvering to achieve consensus with the workers and management. Even within the union, there may be differences between groups. For example, skilled workers may feel that they are neglected or women workers may feel that their interests are not looked after properly. Within the management also, there may be differences. Trade unions maneuver to achieve consensus among the conflicting groups.

Characteristics Of Collective Bargaining

- It is a group process, wherein one group, representing the employers, and the other, representing the employees, sit together to negotiate terms of employment.
- Negotiations form an important aspect of the process of collective bargaining i.e., there is considerable scope for discussion, compromise or mutual give and take in collective bargaining.
- Collective bargaining is a formalized process by which employers and independent trade unions negotiate terms and conditions of employment and the ways in which certain employment-related issues are to be regulated at national, organizational and workplace levels.
- Collective bargaining is a process in the sense that it consists of a number of steps. It begins with the presentation of the charter of demands and ends with reaching an agreement, which would serve as the basic law governing labor management relations over a period of time in an enterprise. Moreover, it is flexible process and not fixed or static. Mutual trust and understanding serve as the by products of harmonious relations between the two parties.

Characteristics Of Collective Bargaining

- It is a bipartite process. This means there are always two parties involved in the process of collective bargaining. The negotiations generally take place between the employees and the management. It is a form of participation.
- Collective bargaining is a complementary process i.e. each party needs something that the other party has; labor can increase productivity and management can pay better for their efforts.
- Collective bargaining tends to improve the relations between workers and the union on the one hand and the employer on the other.
- Collective Bargaining is a continuous process. It enables industrial democracy to be effective. It uses cooperation and consensus for settling disputes rather than conflict and confrontation.
- Collective bargaining takes into account day to day changes, policies, potentialities, capacities and interests.
- It is a political activity frequently undertaken by professional negotiators.

The collective bargaining process comprises of five core steps:

- 1. Prepare:** This phase involves composition of a negotiation team. The negotiation team should consist of representatives of both the parties with adequate knowledge and skills for negotiation. In this phase both the employer's representatives and the union examine their own situation in order to develop the issues that they believe will be most important. The first thing to be done is to determine whether there is actually any reason to negotiate at all. A correct understanding of the main issues to be covered and intimate knowledge of operations, working conditions, production norms and other relevant conditions is required.
- 2. Discuss:** Here, the parties decide the ground rules that will guide the negotiations. A process well begun is half done and this is no less true in case of collective bargaining. An environment of mutual trust and understanding is also created so that the collective bargaining agreement would be reached.
- **3. Propose:** This phase involves the initial opening statements and the possible options that exist to resolve them. In a word, this phase could be described as 'brainstorming'. The exchange of messages takes place and opinion of both the parties is sought.
- 4. Bargain:** negotiations are easy if a problem solving attitude is adopted. This stage comprises the time when 'what ifs' and 'supposals' are set forth and the drafting of agreements take place.
- **5. Settlement:** Once the parties are through with the bargaining process, a consensual agreement is reached upon wherein both the parties agree to a common decision regarding the problem or the issue. This stage is described as consisting of effective joint implementation of the agreement through shared visions, strategic planning and negotiated change.

Functions

- - **Prof. Butler** has viewed the functions as:
 - a process of social change
 - a peace treaty between two parties
 - a system of industrial jurisprudence
 - **1. Collective bargaining as a process of social change**

Collective bargaining enhances the status of the working class in the society. Wage earners have enhanced their social and economic position in relation to other groups.
 - Employers have also retained high power and dignity through collective bargaining.
- - **2. Collective bargaining as a peace treaty**

Collective bargaining serves as a peace treaty between the employers and employees. However the settlement between the two parties is a compromise.
- - **3 Collective bargaining as an industrial jurisprudence**

Collective bargaining creates a system of “Industrial Jurisprudence”. It is a method of introducing civil rights into industry. It establishes rules which define and restrict the traditional authority exercised by employers over their employees placing part of the authority under joint control of union and management.

In addition to the above, its functions include:
Increasing the economic strength to employers and employees.
 - Improving working conditions and fair wages.
 - Maintaining peace in industry
 - Prompt and fair redressal of grievances.
 - Promoting stability and prosperity of the industry.

- **Pre-requisites for Collective Bargaining**

Please understand that effective negotiations and enforcement requires a systematic preparation of the base or ground for bargaining which involves the following three steps:

1. Recognition of the Bargaining Agent. The management should give recognition to the trade union for participating in the collective bargaining process. In case there is more than one union, selection could be done through verification of membership by a government agency giving representation to all the major unions through joint consultations. Thus, the bargaining agent of the workers should be properly identified before initiating any action.

2. Deciding the Level of Bargaining. Whether the dealings are confined to enterprise level, industry level, regional or national level should be decided as the contents, scope and enforcement agencies differ in each case.

3. Determining the Scope and Coverage of Bargaining. It would be better to have a clear understanding of what are the issues to be covered under bargaining. Many a time, bargaining is restricted to wage and working conditions related issues but it would be advantageous for both the management and union to cover as many issues as possible to prevent further friction and disputes. Therefore, all the important and interrelated issues are to be taken for consideration.

- **Problems of Collective Bargaining**

The major emphasis of both union and employers is to settle the disputes through adjudication rather than sorting out the issues among themselves. Whatever bargaining takes place, it is limited to large plants only. Smaller organisations generally do not prefer this form of handling the issues. Several factors are responsible for this state of affairs. These are listed below:

Due to the dominance of outsiders in trade unionism in the country, there is multiplicity of unions which are weak and unstable, and do not represent majority of the employees. Moreover, there are inter-union rivalries, which further hinder the process of collective bargaining between the labour and the management.

Since most of the trade unions are having political affiliations, they continue to be dominated by politicians, who use the unions and their members to meet their political ends.

There is a lack of definite procedure to determine which union is to be recognised to serve as a bargaining agent on behalf of the workers

In India, the law provides an easy access to adjudication. Under the Industrial Disputes Act, the parties to the dispute may request the Government to refer the matter to adjudication and the Government will constitute the adjudication machinery, i.e., labour court or industrial tribunal. Thus, the faith in the collective bargaining process is discouraged.

There has been very close association between the trade unions and political parties. As a result, trade union movement has leaned towards political orientations rather than collective bargaining.

Collective bargaining can help bring industrial peace in our country by promoting mutual understanding and cooperation between workers and managements. It provides a framework for deciding the terms and conditions of employment without resorting to strikes and lockouts and without the intervention of outsiders. The management and the union can develop a matured relationship. Instead of fighting amongst themselves, they should work towards the betterment of the organisation.

The following steps should be taken for the success of collective bargaining.

- Strong Trade Union: A strong and stable representative trade union is essential for effective collective bargaining. For having such a trade union, workers should have freedom to unionise so that they can exercise their right of unionisation and form a trade union for the purpose of electing their representatives for collective bargaining. A weak union not enjoying the support of majority of workers is not likely to be effective. The management will not negotiate with such a union; because mutual agreements are not likely to be honoured by a large section of the labour-force. Moreover, there is always a danger that non-union members may sabotage it.

Compulsory Recognition of Trade Unions: There must be an acceptable and recognised bargaining agent. That means that there must be recognised union or unions to negotiate the terms and conditions of the agreement with the management. Please understand that the process of collective bargaining cannot begin until unions are recognised by the employers. Employers will give such recognition only if they believe it to be in their interest or if it is a legal requirement. A strong, stable and the most representative union should be recognised by the employers for the purpose because any agreement with that union will be acceptable to majority of workers and it will help in establishing sound industrial relations in the organization.

Mutual Accommodation: There has to be a greater emphasis on mutual accommodation rather than conflict or uncompromising attitude. Conflicting attitude does not lead to amicable labour relations; it may foster union militancy as the union reacts by engaging in pressure tactics. The approach must be of mutual give and take rather than take or leave. The take or leave philosophy is followed in America where there is contractual labour. As of now this is not the case in India. So if the union and the management have to look for a long-term relationship they have to respect each other's rights.

The following steps should be taken for the success of collective bargaining.

- **Mutual Trust and Confidence:** Trade unions and management must accept each other as responsible parties in the collective bargaining process. There should be mutual trust and confidence. In fact in any relationship trust is the most important factor. Management must accept the union as the official representative. The union must accept the management as the primary planners and controllers of the company's operations. The union must not feel that management is working and seeking the opportunity to undermine and eliminate the labour organisation. The company management must not feel that the union is seeking to control every facet of the company's operations.

Efficient Bargaining Mechanism: No ad-hoc arrangements are satisfactory for the reason that bargaining is a continuing process. An agreement is merely a framework for every day working relationships, the main bargain is carried on daily and for this there is a need to have permanent machinery. As for machinery being efficient, it has three aspects:

- (a) Availability of full information
- (b) Selection of proper representatives
- (c) Recognition of natural temperament of each other.

Emphasis on Problem-solving Attitude: I am sure you will agree that there should be an emphasis upon problem-solving approach with a de-emphasis upon excessive legalism. Litigation leads to loss of time and energy and it does not benefit anyone. Therefore the emphasis is to look for mutually acceptable solutions rather than creating problems for each other. Lastly, the overall political environment should be congenial. The political environment should support collective bargaining.

Political Climate: For effective collective bargaining in a country, it is important to have sound political climate. The Government must be convinced that the method of arriving at the agreements through mutual voluntary negotiations is the best for regulating certain conditions of employment. Therefore, positive attitude of the political parties is a must for the promotion of collective bargaining. Such an approach would help and encourage the development of strong, stable and representative trade unions, growth of mechanism for the resolution of industrial conflict, recognition of unions, etc.

Types of Collective Bargaining

Types of Collective Agreements in India

Collective bargaining as it is practiced in India can be divided into three classes.

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1. **Bipartite Agreements:** These are most important types of collective agreements because they represent a dynamic relationship that is evolving in establishment concerned without any pressure from outside. The bipartite agreements are drawn up in voluntary negotiation between management and union. Usually the agreement reached by the bipartite voluntarily has the same binding force as settlement reached in conciliation proceedings. The implementations of these types of agreements are also not a problem because both the parties feel confident of their ability to reach the agreement.

2. **Settlements:** It is tripartite in nature because usually it is reached by conciliation, i.e. it arises out of dispute referred to the appropriate labour department and the conciliation officer plays an important role in bringing about conciliation of the differing viewpoints of the parties. And if during the process of conciliation, the conciliation officer feels that there is possibility of reaching a settlement, he withdraws himself from the scene. Then the parties are to finalise the terms of the agreement and should report back to conciliation officer within a specified time. But the forms of settlement are more limited in nature than bipartite voluntary agreements, because they strictly relate to the issues referred to the conciliation officer.

Types of Collective Agreements in India

Collective bargaining as it is practiced in India can be divided into three classes.

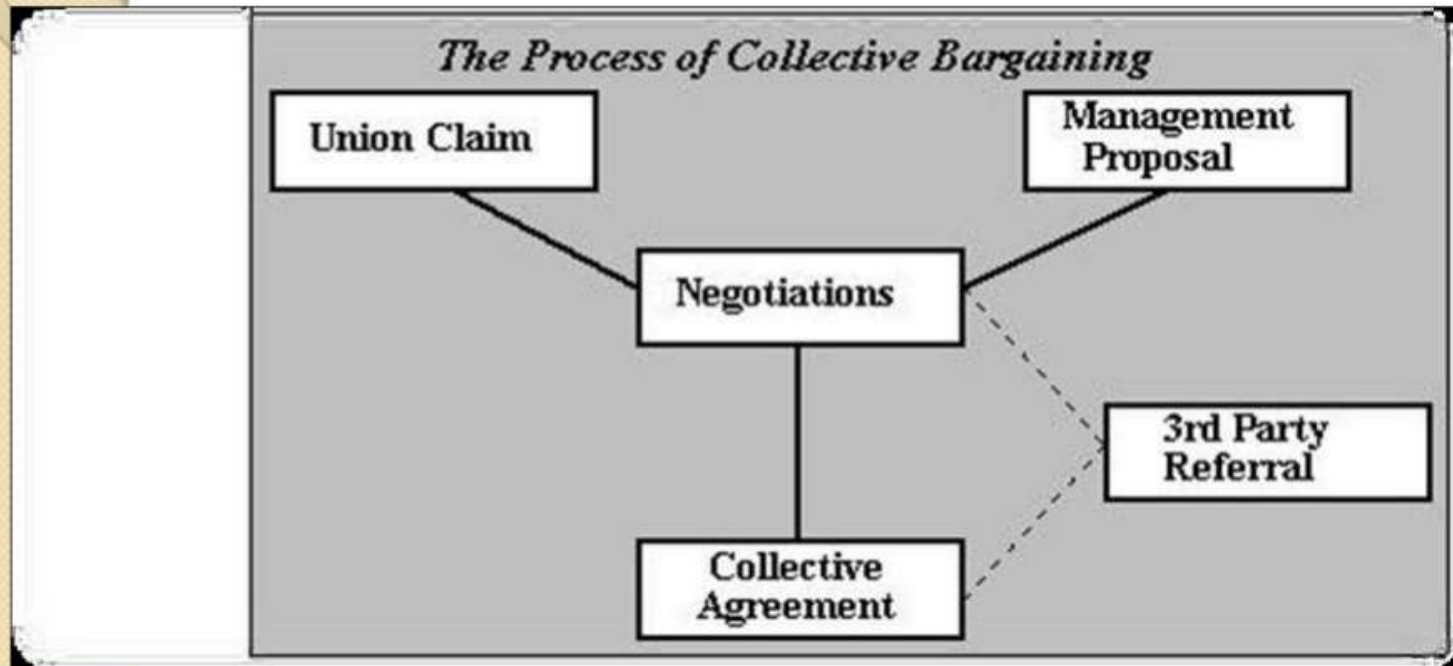
- 3. Consent Award: Here the negotiation takes place between the parties when the dispute is actually pending before one of the compulsory adjudicatory authorities and the agreement is incorporated to the authorities, award. Thus though the agreement is reached voluntarily between the parties, it becomes part of the binding award pronounced by an authority constituted for the purpose. The idea of national or industry-wide agreements and that to on a particular pattern may appear to be a more ideal system to active industrial relation through collective bargaining, but the experience of various countries shows that it is not possible to be dogmatic about the ideal type of collective bargaining, because it largely depends upon the background, traditions and local factors of a particular region or country.

Good faith bargaining a term that means both parties are communicating and negotiating and those proposals are being matched with counterproposals with both parties making every reasonable effort to arrive at agreements. It does not mean that either party is compelled to agree to proposal. Bargaining in good faith is the cornerstone of effective labour management relations. It means that both parties communicate and negotiate. It means that proposals are matched with counterproposals and that both parties make every reasonable effort to arrive at agreement. It does not mean that either party is compelled to agree to a proposal. Nor does it require that either party make any specific concessions.

As interpreted by the courts, a violation of the requirement for good faith bargaining may include the following:

- 1. Surface bargaining. This involves merely going through the motions of bargaining without any real intention of completing a formal agreement.
- 2. Concession. Although no one is required to make a concession, the courts' definitions of good faith suggest that willingness to compromise is an essential ingredient in good faith bargaining.
- 3. Proposals and demands. This is considered as a positive factor in determining overall good faith.
- 4. Dilatory tactics. The law requires that the parties meet and 'confer at reasonable times and intervals.' Obviously, refusal to meet at all with the union does not satisfy the positive duty imposed on the employer.
- 5. Imposing conditions. Attempts to impose conditions that are as onerous or unreasonable as to indicate bad faith will be scrutinized by the board.
- 6. Unilateral changes in conditions. This is viewed as a strong indication that the employer is not bargaining with the required intent of reaching an agreement.
- 7. Bypassing the representative. An employer violates its duty to bargain when it refuses to negotiate with the union representative. The duty of management to bargain in good faith involves, at a minimum, recognition that this statutory representative is the one with whom the employer must deal in conducting bargaining negotiations.
- 8. Commission of unfair labour practices during negotiations. Such practices may reflect poorly upon the good faith of the guilty party.
- 9. Providing information. Information must be supplied to the union, upon request, to enable it to understand and intelligently discuss the issues raised in bargaining.
- 10. Bargaining items. Refusal to bargain on a mandatory item (one must bargain over these) or insistence on a permissive item (one may bargain over these) is usually viewed as bad faith bargaining.

COLLECTIVE BARGAINING PROCESS



Legal Boundaries for Collective Bargaining:

- No ratification of ILO Convention –C-87 and C-98.
- Limited scope and coverage of collective bargaining within legal boundaries of Trade Union Act and Industrial Dispute Act.
- Trade Union Act and Industrial Dispute Act are silent on recognition of trade unions.
- Right to strike is not a fundamental right but a legal right governed by Industrial Dispute Act, 1947.
- Section 10K: can be imposed to prohibit strikes or lock outs.
- Section 22: In public utility services there must be a notice atleast 6 weeks before strike.
- Section 23: Prohibition of strikes during the pendency of conciliation, arbitration and court proceedings.
- Trade Union activities are granted immunity from the applicability of CRPC but nor in case of illegal strikes.
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Suggestions to improve Collective Bargaining

- **Strong Trade Union**
- : A strong and stable representative trade union is essential for effective collective bargaining. For having such a trade union, workers should have freedom to unionize so that they can exercise their right of unionization and form a trade union for the purpose of electing their representatives for collective bargaining. A weak union not enjoying the support of majority of workers is not likely to be effective. The management will not negotiate with such a union; because mutual agreements are not likely to be honoured by a large section of the labour-force. Moreover, there is always a danger that non-union members may sabotage it.

- **Compulsory Recognition of Trade Unions**
- : There must be an acceptable and recognised bargaining agent. That means that there must be recognised union or unions to negotiate the terms and conditions of the agreement with the management

- **Mutual Accommodation**
- : There has to be a greater emphasis on mutual accommodation rather than conflict or uncompromising attitude. Conflicting attitude does not lead to amicable labour relations; it may foster union militancy as the union reacts by engaging in pressure tactics

- **Enactment of Legislation**
- : The State should enact suitable legislation providing for compulsory recognition of trade union by employers. State has to play a progressive role in removing the pitfalls which stand in the way of mutual, amicable and voluntary settlement of labour disputes. The new labour policy must reflect the new approach and new objectives.
- **Efficient Bargaining Mechanism**
- : No ad-hoc arrangements are satisfactory for the reason that bargaining is a continuing process. An agreement is merely a framework for every day working relationships, the main bargain is carried on daily and for this there is a need to have permanent machinery

- **Emphasis on Problem-solving Attitude**
- : There should be an emphasis upon problem-solving approach with a de-emphasis upon excessive legalism. Litigation leads to loss of time and energy and it does not benefit anyone. Therefore the emphasis is to look for mutually acceptable solutions rather than creating problems for each other
- **Political Climate**
- : For effective collective bargaining in a country, it is important to have sound political climate. The Government must be convinced that the method of arriving at the agreements through mutual voluntary negotiations is the best for regulating certain conditions of employment. The provision for political fund by trade unions has to be done

- Negotiations - Types of Negotiations-Problem solving attitude-Exit policy, Voluntary retirements and Golden Handshake, Negotiation skills-Impact of Globalization on CB

Negotiations

- A negotiation is a communication process in which multiple parties discuss problems and attempt to solve them via dialogue in order to reach a resolution. Negotiations occur constantly on micro and macro scales, both in the office and in everyday life.
- **Negotiation** is a dialogue between two or more people or parties intended to reach an understanding, resolve points of difference, to gain advantage for an individual or collective, or to craft outcomes to satisfy various interests.
- Negotiation occurs in business, non-profit organizations, government branches, legal proceedings, among nations and in personal situations such as marriage, divorce, parenting, and everyday life.

Types of Negotiations

- [?]
- **Distributive negotiation** [?] The pie is fixed and is divided among the parties $\Rightarrow$ [?] More suitable for using game-theoretical analysis [?]
- **Integrative negotiation** [?] Try to expand the pie that is divided in order to find new compromises

Distributive Negotiations

- **Distributive Negotiations - the Fixed Pie**
- The term distributive means; there is a giving out; or the scattering of things. By its mere nature, there is a limit or finite amount in the thing being distributed or divided amongst the people involved. Hence, this type of negotiation is often referred to as '*The Fixed Pie*'. There is only so much to go around, but the proportion to be distributed is limited but also variable. How many times has somebody shouted out, '*Who wants the last piece of pizza?*' Everyone looks at each other, then the pizza slice, and two or more hands rush to grab it.
- In the real world of negotiations, two parties face off with the goal of getting as much as possible. The seller wants to go after the best price they can obtain, while the buyer wants to pay the lowest price to achieve the best bargain. It's really just good old plain haggling, which is not all that much different from playing a tug of war.

Distributive Negotiations

- A distributive negotiation usually involves people who have never had a previous interactive relationship, nor are they likely to do so again in the near future. Simple everyday examples, would be when we're buying a car or a house. Purchasing products or services are simple business examples where distributive bargaining is often employed. Remember, even friends or business acquaintances can drive a hard bargain just as well as any stranger.
- Secondly, when we are dealing with someone unknown to us, and it's a one time only occurrence, we really have no particular interest in forming a relationship with them, except for the purpose of the deal itself. We are generally less concerned with how they perceive us, or how they might regard our reputation. Ours and their interests are usually self serving.

Distributive Negotiations

- **Distributive negotiation Basics**
- Play your cards close to your chest - Give little or no information to the other side. The less they know about our interests as to why we want to make the purchase, our preferences, or the point at which we'd decline to deal, the better our position. Expressing eagerness or need, reveals a weakness which could be exploited to our disadvantage.
- The opposite is equally true - Try to pry as much information from the other side. Any additional information that we uncover can be used as leverage to negotiate a better deal.
- The only thing you should ever tell - The only information we should ever reveal are those alternative options, such as other sellers, which shows we are prepared to walk from the negotiation whenever it suits us.
- Let them make the first offer - Whatever is used as the first offer will generally act as [an anchor](#) upon which the rest of the negotiation will revolve. Try to get the other side to set the stage from which to start.
- Be realistic - Being too greedy or too stingy will likely result in no agreement, so keep it real.

Integrative Negotiations

- **Integrative Negotiations - Everybody Wins Something (usually)**
- The word integrative means to join several parts into a whole. Conceptually, this implies some cooperation, or a joining of forces to achieve something together. Usually involves a higher degree of trust and a forming of a relationship. Both parties want to walk away feeling they've achieved something which has value by getting what each wants. Ideally, it is a twofold process.
- In the real world of business, the results often tilt in favour of one party over the other because, it's unlikely that both parties will come to the table at even strength, when they begin the talks.
- Nonetheless, there are many advantages to be gained by both parties, when they take a cooperative approach to mutual problem solving. The process generally involves some form or combination of making value for value concessions, in conjunction with creative problem solving. Generally, this form of negotiation is looking down the road, to them forming a long term relationship to create mutual gain. It is often described as the win-win scenario.

Integrative Negotiations

- **Integrative Negotiation Basics**
- Multiple Issues - Integrative negotiations usually entails a multitude of issues to be negotiated, unlike distributive negotiations which generally revolve around the price, or a single issue. In integrative negotiations, each side wants to get something of value while trading something which has a lesser value.

Integrative Negotiations

- Sharing - To fully understand each other's situation, both parties must realistically share as much information as they can to understand the other's interests. You can't solve a problem without knowing the parameters. Cooperation is essential.
- Problem Solving - Find solutions to each other's problems. If you can offer something of lesser value which gives your counterpart something which they need, and this results in you realising your objective, then you have integrated your problems into a positive solution.
- Bridge Building - More and more businesses are engaging in long term relationships. Relationships offer greater security.

Types of Negotiations

- 1. Win-Lose Negotiations
- In game theory they call a win-lose negotiation a zero-sum game.

The vast majority of games are zero-sum.

A common analogy for a zero-sum game is dividing a pie. The pie doesn't get smaller or bigger — the players play a game to decide who gets the bigger slice.

If you're facing a win-lose negotiation focus your strategy on determining the other party's minimum requirements (e.g. bottom price).

Types of Negotiations

- 2. Win-Win Negotiations
- Win-win negotiations involve expanding the pie. For example, if two people decide to go into business together: their partnership negotiations are win-win.

One partner may win and the other may lose. However, a win-win outcome is possible because they hope to make money on their investment (expand the pie).

Salary negotiations and business-to-business sales can usually be considered win-win.

Win-win negotiations may be just as focused on building a bigger pie as dividing the pie fairly. Every effort should be made to keep negotiations friendly and constructive.

Types of Negotiations

- 3. Lose-Lose
- Lose-Lose negotiations involve a situation in which everyone is going to lose.

Lawsuits are often lose-lose.

Let's say you leave your jacket at a restaurant coat-check and they lose it. Your negotiations for compensation with the restaurant's manager are lose-lose. You're not likely to get more money than the coat was worth. The restaurant also loses.

Lose-lose negotiations can quickly turn bitter and adversarial. Despite the fact that both parties will lose it's important to try to maintain a collaborative approach.

Types of Negotiations

- 4. Adversarial Negotiations
- Adversarial negotiations are highly competitive in nature.

Win-lose and lose-lose negotiations are most likely to be adversarial. Nobody wants to lose, this tends to drive intense competition.

In some cases, win-win negotiations are also adversarial. For example, high stakes business-to-business sales negotiations often become adversarial (customer vs seller).

In extreme cases, negotiations are adversarial because the parties involved intensely dislike each other. In such cases, negotiators may not be interested in winning. Instead, they may seek to maximize the losses of the other party. Negotiations between political rivals may turn destructive in this way.

Adversarial negotiations require battle strategies.

Types of Negotiations

- 5. Collaborative Negotiations
- Collaborative negotiations are creative and friendly. For example, business partnership negotiations are often collaborative. Win-win negotiations that are expected to yield big wins tend to be collaborative.

Collaborative negotiations rely on persuasive techniques, optimism and creativity.

Types of Negotiations

- 6. Multi-Party Negotiations
- Multi-Party negotiations are complex negotiations between two or more parties. They can be extremely challenging and may take years to complete.

International treaties between nations are often multi-party.

Multi-party negotiations require advanced diplomatic techniques.

Types of Negotiations

- 7. Bad Faith Negotiation
- Bad faith negotiation occurs when a party makes commitments that they have no intention of keeping.

Bad faith negotiation is often used as a delay or diversionary tactic. For example, a country may sign an environmental treaty with no intention of implementing it just to relieve political pressure from its citizens.

Negotiation method: SOFT

- 1. Participants are friends
- 2. The goal is agreement
- 3. Make concessions to cultivate friendship
- 4. Be soft on people and problem
- 5. Trust others
- 6. Change your position easily
- 7. Make offers
- 8. Disclose your bottom line
- 9. Accept one-sided losses to reach agreement
- 10. Search for the answer they will accept
- 11. Insist on agreement
- 12. Try to avoid a contest of will
- 13. Yield to pressure

Negotiation method: HARD

- 1. Participants are adversaries
- 2. The goal is victory
- 3. Demand concessions as a condition to friendship
- 4. Be hard on people and problem
- 5. Distrust others
- 6. Dig in your position
- 7. Make threats
- 8. Mislead as to your bottom line
- 9. Demand one-sided gains as a price for agreement
- 10. Search for the agreement you will accept
- 11. Insist on your position
- 12. Try to win a contest of will
- 13. Apply pressure

Problem solving attitude

- Considered the most complex of all intellectual functions, **problem solving** has been **defined** as a higher-order cognitive process that requires the modulation and control of more routine or fundamental skills.

The 9 attitudes that solve any business problem

- Your attitude is what really matters.
- Not your skill set. Not your network.
- View a problem as a challenge, an opportunity for new experiences to expand your problem-solving repertoire.
- Focus on the present and future obstacles, and deal with those you can do something about. When obstacles appear to be insurmountable: question the goal, and if necessary, modify it.
- Pay attention to the distinction among facts, opinions and judgments. First get the facts, then interpret them. Don't judge the facts before you do that analysis.

Problem solving attitude

- Listen to experts, authorities and others you trust as if you will be required to take an exam on what they are saying. Don't refute or judge what they say when they say it. Ask questions if you don't understand, but don't argue.
- Use reason not pride. You will be tempted to distort the facts if you have to manage your ego rather than manage the problem-solving process.

Problem solving attitude

- Don't solve the problem too soon. Take every minute you can to gather and process information from sources. Don't take more time than you can afford, but do not begin your evaluation and selection of a solution prematurely.
- Focus your attention on surmountable obstacles that block the way to a solution, any solution. Identify what can't be overcome, and if a path still exists around those, then pick off the ones that remain.
- Expect that implementation of the solution will be harder than coming to it. You'll undoubtedly need other people to implement. Educate them about the benefits of a solution, before you tell them what they will need to do.
- Believe you have control, because then you will. Even if you are wrong in fact, the perception that you have control will promote your ability to perform. Ask yourself if you have a choice, and if you answer honestly, you almost always realize that you do. Choice is control.
- Change your attitude; change your life.

Exit policy

- **Exit Strategy'** 1. The method by which a venture capitalist or business owner intends to get out of an investment that he or she has made in the past. In other words, the **exit** strategy is a way of "cashing out" an investment.

Exit policy

- The term 'exit' is the obverse of the term 'entry' into industry. It refers to the right or ability of an industrial unit to withdraw from or leave an industry or in other words to close down. The proposal to introduce an exit policy was first mooted in 1991 when it was felt that without labour market flexibility, efficient industrialisation would be difficult to achieve. The need for such a policy arises as a result of modernisation, technology upgradation, restructuring as well as closure of industrial units. Such a policy will allow employers to shift workers from one unit to another and also retrench excess labour.

Voluntary retirements and Golden Handshake

- **Voluntary Retirement Scheme (VRS)** In the present globalised scenario, right sizing of the manpower employed in an organisation has become an important management strategy in order to meet the increased competition. The voluntary retirement scheme(VRS) is the most humane technique to provide overall reduction in the existing strength of the employees. It is a technique used by companies for trimming the workforce employed in the industrial unit. It is now a commonly method used to dispense off the excess manpower and thus improve the performance of the organisation. It is a generous,tax-free severance payment to persuade the employees to voluntarily retire from the company. It is also known as 'Golden Handshake' as it is the golden route to retrenchment.
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- In India, the [Industrial Disputes Act,1947](#) puts restrictions on employers in the matter of reducing excess staff by retrenchment, by closures of establishment and the retrenchment process involved lot of legalities and complex procedures. Also, any plans of retrenchment and reduction of staff and workforce are subjected to strong opposition by trade unions. Hence, VRS was introduced as an alternative legal solution to solve this problem. It allowed employers including those in the government undertakings, to offer voluntary retirement schemes to off-load the surplus manpower and no pressure is put on any employee to exit. The voluntary retirement schemes were also not subjected to not vehement opposition by the Unions, because the very nature of its being voluntary and not using any compulsion. It was introduced in both the public and private sectors. Public sector undertakings, however, have to obtain prior approval of the government before offering and implementing the VRS.

Voluntary retirements and Golden Handshake

- **A business firm may opt for a voluntary retirement scheme under the following circumstances:-**
- Due to recession in the business.
- Due to intense competition, the establishment becomes unviable unless downsizing is resorted to.
- Due to joint-ventures with foreign collaborations.
- Due to takeovers and mergers.
- Due to obsolescences of Product/Technology.

Voluntary retirements and Golden Handshake

- Though the eligibility criteria for VRS varies from company to company, but usually, employees who have attained 40 years of age or completed 10 years of service are eligible for voluntary retirement. The scheme applies to all employees including workers and executives, except the directors of a company. The employee who opts for voluntary retirement is entitled to get forty five days emoluments for each completed year of service or monthly emoluments at the time of retirement multiplied by the remaining months of service before the normal date of service, whichever is less. Along with these benefits, the employees also get their provident fund and gratuity dues. Compensation received at the time of voluntary retirement is exempt from tax under **section 10 (10C)** of the **Income Tax Act, 1961** upto the prescribed amount upon fulfilling certain stipulated conditions. However, the retiring employee should not be employed in another company or concern belonging to the same management.
- The companies can frame different schemes of voluntary retirement for different classes of their employees. However, these schemes have to conform to the guidelines prescribed in **rule 2BA** of the **Income-tax Rules**. The guidelines for the purposes of **section 10(10C)** of the Income-tax Act have been laid down in the **rule 2BA** of the **Income-tax Rules**.

Voluntary retirements and Golden Handshake

- The guidelines provide that the scheme of voluntary retirement framed by a company should be in accordance with the following requirements, namely :
- It applies to an employee of the company who has completed ten years of service or completed 40 years of age
- It applies to all employees (by whatever name called), including workers and executives of the company excepting Directors of the company
- The scheme of voluntary retirement has been drawn to result in overall reduction in the existing strength of the employees of the company
- The vacancy caused by voluntary retirement is not to be filled up, nor the retiring employee is to be employed in another company or concern belonging to the same management
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Voluntary retirements and Golden Handshake

- The amount receivable on account of voluntary retirement of the employees, does not exceed the amount equivalent to one and one-half months salary for each completed year of service or monthly emoluments at the time of retirement multiplied by the balance months of service left before the date of his retirement on superannuation. In any case, the amount should not exceed rupees five lakhs in case of each employee, and
- The employee has not availed in the past the benefit of any other voluntary retirement scheme.
- Some companies offers very attractive package of benefits to the employees who opt for VRS. For example, the VRS scheme may also include providing counselling to employees about their future;managing of funds received under the scheme; offering rehabilitation facilities to them,etc.

Voluntary retirements and Golden Handshake

- **A company may make the following announcements while implementing a voluntary retirement scheme:-**
- The reasons behind downsizing the organisation.
- The eligibility criteria for voluntary retirement scheme.
- The age limit and the minimum service period of employees who can apply for the scheme.
- The benefits that are offered to the employees who offer to retire voluntarily.
- The rights of the employer to accept or reject any application for voluntary retirement.
- The date up to which the scheme is open.
- The income tax benefits and income tax incidence related to the scheme.
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Voluntary retirements and Golden Handshake

- It should also indicate that the employees who opt for voluntary retirement and accept the benefits under such scheme shall not be eligible in future for employment in the organisation.
- Voluntary Retirement Schemes have been legally found to be giving no problem to employers, employees and their unions. But, the retrenchment plans of an organization must be compatible to its strategic plans. Its procedure and reasons for introduction must be discussed with all management staff including top management. One need to identify departments or employees to whom VRS is applicable and thereby formulate its terms and conditions and also state the benefits that would be available to those who took VRS. Such information should be made available to every employee of the organization, mentioning the period during which the scheme will be open. Also,existing employees might face insecurity because of fear of losing their job too. One of the possible drawback of the VRS is that the efficient employees would leave the company while the inefficient may stay back. Thus it is the /responsibility of the employer to motivate them and remove their apprehensions and fears

Negotiation Skills

- **Ask questions.** If you ask permission to ask a question, you will lay a foundation for agreement and likely receive a complete answer. Plan for questions you can ask.
 - Ask open-ended questions to gain information and build a relationship. Open-ended questions typically begin with “who,” “what,” “when,” “where,” and “why.”
 - Use closed-ended questions (questions that encourage short answers, such as “yes” or “no”) when you want to gain a concession or confirm a deal point.
- **Be an excellent listener.** The more information you get, the better able you’ll be to uncover others’ needs. It will then be easier for you to show how you are able to meet those needs.
- **Paraphrase to ensure understanding.** Restate in your own words what the other person has said to make sure you understand correctly. Be sure to use different words so that it doesn’t sound like you are mimicking.
- **Get it in writing.** Take notes during negotiations. Notes will help all parties recall what has already been discussed or decided. Be sure to get all offers in writing.
- **Save issues for later discussion.** Focus on one issue before you move on to the next.
- **Emphasize your value.** If the organization thinks your monetary expectations are too high, indicate what you think your contribution will be to the organization. Use “Power Statements”
- **Be flexible in your negotiations.** Take the attitude of “I’m just working out the details.” Be willing to give up things that don’t really matter to you in order to create a feeling of goodwill.
- **Use silence for consideration.** In response to an offer, restate the offer, sit quietly, and silently count to 10. Allow everyone time to consider. This technique may also prompt the employer to justify the offer, which could continue the negotiation process, or it could lead to a better offer.
- **Take time to consider offers.** When a final offer is extended, if it is not enough, thank the employer, provide a Power Statement, and ask for time to consider the offer.
- **Express gratitude.** When you reach an agreement, express gratitude and appreciation. Show how anxious you are to join the organization to make a contribution.

Impact of Globalization on CB

- Globalization leads to a decrease in union membership
- Globalization leads to decentralization of collective bargaining.
- Globalization leads to more government intervention in collective bargaining.

Impact of Globalization on CB

- Privatization in its different forms: deregulation, disinvestment and workers capitalism etc, affects workers' rights particularly their right to collective bargaining, which is 'a method by which trade unions protect and improve the conditions of their members' lives'.
- privatization results in job loss and lower wages for public sector employees.
- Pension provisions are the worst affected
- Disinvestment undermines industrial relations by changing ownership that brings about changes in work organization and employment on the one hand and in trade union dynamics on the other hand.

Impact of Globalization on CB

- globalization capital mobility increases businesses prefer to relocate to countries having lower labor standards hence curtailing bargaining power of labor
- Globalization may also induce regulatory competition where economies compete in lowering their labor standards in order to attract businesses.
- erosion of workplace rights and labor standards have been foreseen by the forward looking trade unions
- Globalization has marked the advent of new players in the process of collective bargaining which is traditionally thought to be interaction between the trio of employers' organizations, workers' unions and the state. These include the community and the consumers. ts and policy makers.